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# SEQUEL TO AN OPEN LETTER TO Members of the Honorable Legislative Assembly OF BRITISH COLUMBIA.

## COLONIZATION AND DEEP SEA FISHERIES, ETC.

Gentlemen:—As fuller information relative to the apportionment of the Imperial loan to fishermen colonists has been requested of me, and as the subject is of paramount importance to British Columbia, I supply the following remarks and statements, together with a copy of the state document on which the details of the scheme were based. The minute, signed by the Rt. Hon. G. J. Goschen's private secretary, H. Babington Smith, reads as follows: "Treasury Chambers, Whitehall, S. W., June 10th, 1891.

"Dear Mr. Begg:—I am directed by the Chancellor of the Exchequer to communicate to you in writing the result of your interview with him on June 3rd.

"Her Majesty's government are prepared to accede to the application of the government of British Columbia for a loan of £150,000 from the Imperial government for colonization purposes upon the following conditions:—

"(1) The government of British Columbia are to undertake by the aid of the above-mentioned sum to transfer from 1,000 to 1,250 families of Crofter fishermen and others from the western Highlands and islands of Scotland to British Columbia, to locate them on free lands on the sea coast and islands of that country, and to provide them with dwellings and means of livelihood.

"It is proposed that the colonists should be transferred in parties, beginning with fifty families; the whole number of families to be located within six years from the time of the first settlement. It is hoped that the cost of the settlement will be about £120 per family, but in any case the cost is not to exceed £150 per family.

"(2) The sum of £150,000 is to be advanced in three instalments of £50,000. The first instalment is to be advanced as soon as an act providing for carrying out the scheme is passed. The cost is not to exceed £150 per family.

over six years, and appropriate the £150,000 loan (or \$727,500) as specified in the Chancellor of the Exchequer's letter:

No. 1 Appropriation.....	\$242,500
First year, 50 families located, required....	36,375
Balance invested at 4 per cent....	206,125
Second year, 200 families located, required....	145,500
Balance invested at 4 per cent....	60,625
No. 2 Appropriation (add to former balance)....	242,500
Viz.: \$60,625 and \$242,500.....	303,125
Third year, 200 located, required..	145,500
Balance invested at 4 per cent....	157,625
Fourth year, 150 families located, required....	109,125
Balance invested at 4 per cent....	48,500
No. 3 Appropriation (add to former balance)....	242,500
Viz.: \$48,500 and \$242,500.....	291,000
Fifth year, 250 families located, required....	181,875
Balance invested at 4 per cent....	109,125
Sixth year, 150 families located, required....	109,125

The investments and interest accruing are shown in the following table:

First year's balance invested.....	\$ 8,245
Second year's balance invested.....	2,755
Third year's balance invested.....	9,170
Fourth year's balance invested.....	11,110
Fifth year's balance invested.....	15,475
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	\$46,755

Should the colonization terminate under the "scheme" at the end of the first appropriation, the balance on hand on interest account would be \$11,000.

Other statements showing repayments by the colonists, embracing seriatim a period extending over a period of seven years, I furnished (see Sessional Papers, 1892, page 60). They were found on examination by the Imperial and provincial governments to be financially sound, and were approved by them.

A provincial act, "the Colonization Act of 1892," was passed (April 18th), to found on examination by the Imperial

exceed £150 per family.

"(2) The sum of £150,000 is to be advanced in three instalments of £50,000. The first instalment is to be advanced as soon as an act providing for carrying out the scheme under consideration and containing the necessary financial clauses has been passed by the legislature of British Columbia in a form satisfactory to Her Majesty's government. The second instalment is to be advanced when the first instalment has been expended upon settling such number of families as it will provide for; and the third instalment when the second is so expended.

"(3) The government of British Columbia are to guarantee repayment of the sum advanced, with interest at three per cent. per annum. Repayment of each instalment of the loan is to commence at the end of five years from the date at which it was first advanced. The interest during these five years is to be added in each year to the principal of the loan; and the whole amount of each portion of the loan is to be repaid by equal annual instalments extending over 25 years from the date at which, in each case, repayment begins.

"(4) All responsibility for the welfare of families settled will naturally rest with the government of British Columbia; but Her Majesty's government will, from time to time, ask the government of British Columbia for such information as will enable them to satisfy themselves that the further advances can with advantage be made. Should it at any time appear to Her Majesty's government, or to the government of British Columbia, that the measure of success attending the colonization scheme has not been adequate, and that it is therefore desirable to abandon the further carrying out of the scheme, any unexpended balance in the hands of the government of British Columbia will then be repaid, with the interest accrued up to the date of payment."

In accordance with the foregoing document from the Imperial Treasury I furnished the provincial government with statements to demonstrate how the appropriations should be applied to complete the transfer and location of 1,000 families, the amount advanced to be repaid in twenty-five years at three per cent. interest—repayments to commence in five years after each instalment had been made. The following statement shows how it was intended under my plan to deal with the three instalments of £50,000 (\$242,000) each, to extend

former on examination by the Imperial and provincial governments to be financially sound, and were approved by them.

A provincial act, "the Colonization Act of 1892," was passed (April 18th), to authorize an agreement with Her Majesty's government for the settling of fishermen and others in British Columbia. A corresponding act—the "British Columbia (Loan) Act," 27th June, 1892, was passed by the Imperial government to authorize an advance to the government of British Columbia of £150,000 from the Imperial treasury on certain conditions. Both those acts are in force and applicable to this colonization scheme, which, for reasons formerly explained, has not been carried into effect.

It will be clearly seen that this plan of settlement was carefully examined by both governments and accepted; that it is no promiscuous state-aided colonization affair, but a specially arranged commercial contract, made voluntarily and firmly between the provincial government and the colonists, before they leave their homes; and, that there may be no misunderstanding, the advantages and disadvantages of the proposed colonization would be fully set before them.

I may add here that I have secured from the owners about 300 acres of land as portion of a townsite at Hardy Bay for the use of the proposed fishery colonists, to be granted to them free, in fee simple. The location is situated on an excellent harbor, accessible at all tides, and well sheltered, on the north-east coast of Vancouver Island. It is convenient to the best of our deep-sea fishery banks for halibut, etc., and is, in fact, the best harbor on the northern portion of the island. It is to be hoped that the present favorable opportunity for settling our seaboard and developing our inexhaustible deep-sea fisheries by British subjects will neither be ignored nor neglected by the hon. the minister of immigration in his desire to accommodate foreigners at Bella Coola and Quatsino Narrows, which have, so far, proved expensive experiments to the province.

Trusting the information thus given will satisfy you that the colonization referred to will benefit not only the fishing industry, but other industries of the province as well, and that you will give it your support. I am, etc., etc.,

Victoria, March 23, 1897.

ALEXANDER BEGG, C.C.